

H. R. 7216

"The Central Intelligence Agency Act Amendments of 1963"

The primary purpose of this legislation is to afford an improved retirement system for a portion of the employees of CIA. The bill is divided into two parts and the second part, Title II of the CIA Act, authorizes the Agency to establish a retirement system identical to the Foreign Service retirement system for Foreign Service officers.

Unlike the Foreign Service or the FBI, both of which provide for voluntary retirement at age 50 with 20 years' service, CIA employees are limited to the normal Civil Service Retirement benefits. Many Agency employees serve under conditions which are at least as difficult and onerous as the conditions which led to improved retirement for Foreign Service and the FBI. Those employees who will come under this proposed system are obligated to serve anywhere in the world as in the Foreign Service and the military and unlike the normal Civil Service employee. We believe that this system will fulfill our needs and will enable us to keep a younger service by retiring people earlier and giving them a more equitable annuity. It was determined that rather than establish an entirely new system the Agency would follow the precedent established in the retirement field by Foreign Service Legislation. Consequently, this bill authorizes the establishment of a separate retirement system for the Agency which is, as stated above, identical to the Foreign Service.

The other part of this bill contains a series of technical amendments most of which deal with travel expenses and other allowances for employees. The CIA Act of 1949 in this area generally followed Foreign Service authorities and this bill will merely bring these authorities up to date. There are several other new authorities requested such as authority to accept gifts and to settle claims. Each of the items in this part of the bill is based on similar authorities available to other Government agencies so that precedent exists for each item.

It is believed the enactment of this legislation will significantly improve the career structure of CIA and will permit great efficiency and flexibility to management and administration generally.

(EXECUTIVE RESERV. FILE *Leg Com*)

88TH CONGRESS  
1ST SESSION

# H. R. 7216

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 24, 1963

Mr. VINSON introduced the following bill; which was referred to the Committee on Armed Services

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## A BILL

To amend the Central Intelligence Agency Act of 1949, as amended, and for other purpose.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Central Intelligence  
4       Agency Act Amendments of 1963".

5       SEC. 2. The Central Intelligence Agency Act of 1949,  
6       as amended (50 U.S.C. 403 (a) et seq.), is further amended  
7       as follows:

8       (1) Amend section 3 by deletion of subsections (a) and  
9       (b) and substitute therefor:

10       “(a) In the performance of its functions, the Agency is  
11       authorized to exercise the authorities contained in sections

1 2301; 2302 (2) and (3); 2303 (b) and (c); 2304 (a)  
2 (1), (2), (3), (4), (5), (6), (10), (12), (15), and  
3 (17); 2305; 2306; 2307; 2312; and 2383 of title 10,  
4 United States Code.

5 “(b) In the exercise of the authorities granted in sub-  
6 section (a) of this section, the term ‘Agency head’ shall  
7 mean the Director and the Deputy Director.”

8 (2) Amend section 3 (d) by deletion of the wording  
9 “section 2 (c) and section 5 (a) of the Armed Services Pro-  
10 curement Act of 1947” from the first sentence and substitute  
11 therefor, “section 2304 (a) and section 2307 of title 10,  
12 United States Code.” Further amend section 3 (d) by  
13 deletion of the wording “section 2 (c), by section 4 or by  
14 section 5 (a) of the Armed Services Procurement Act of  
15 1947” from the second sentence and substitute therefor,  
16 “section 2304 (a), by section 2306 or by section 2307 of title  
17 10, United States Code”.

18 (3) Amend section 4 by adding the following new  
19 paragraphs (1) (G) and (1) (H), and (8), and further  
20 amend section 4 by deletion of the words “Under such  
21 regulations as the Director may prescribe, the Agency, with  
22 respect to its officers and employees assigned to duty stations  
23 outside the several States of the United States of America,  
24 excluding Alaska and Hawaii, but including the District of

1 Columbia, shall—" and substitute therefor, "Under such  
2 regulations as the Director may prescribe, the Agency, with  
3 respect to its officers and employees assigned abroad to duty  
4 stations outside the several States of the United States of  
5 America, excluding Alaska and Hawaii, but including the  
6 District of Columbia, may—".

7 " (1) (G) Pay the travel expenses of officers and em-  
8 ployees of the Agency and members of their families, while  
9 serving at posts specifically designated by the Director for  
10 purposes of this paragraph, for rest and recuperation to other  
11 locations abroad having different environmental conditions  
12 than those at the post at which such officers and employees  
13 are serving, provided that such travel expenses shall be  
14 limited to the cost for each officer or employee and members  
15 of his family of one round trip during any continuous two-  
16 year tour unbroken by home leave and two round trips  
17 during any continuous three-year tour unbroken by home  
18 leave;

19 " (1) (II) Pay the travel expenses of members of the  
20 family accompanying, preceding, or following an officer or  
21 employee if, while he is enroute to his post of assignment, he  
22 is ordered temporarily for orientation and training or is  
23 given other temporary duty."

24 " (8) Provide appropriate orientation and language

1 training to members of family of officers and employees of  
2 the Agency in anticipation of the assignment abroad of  
3 such officers and employees, or while abroad.”

4 (4) Amend section 4 (3) (A) to read as follows:

5 “(3) (A) Order to any of the several States of the  
6 United States of America (including the District of Colum-  
7 bia, the Commonwealth of Puerto Rico, and any territory  
8 or possession of the United States) on leave of absence  
9 authorized in section 203 (f) of the Annual and Sick Leave  
10 Act of 1951, as amended, each officer or employee of the  
11 Agency who was a resident of the United States (as de-  
12 scribed above) at the time of employment, upon completion  
13 of three years’ continuous service abroad or as soon as pos-  
14 sible thereafter and may so order after completion of eight-  
15 een months such service without regard to the limitation  
16 contained in section 203 (f) of the Annual and Sick Leave  
17 Act of 1951, as amended.”

18 (5) Amend section 4 (5) by striking out subsections  
19 (A) and (C) and inserting in lieu thereof the following  
20 new paragraphs (A) and (C) :

21 “(A) In the event an officer or employee of the Agency  
22 or one of his dependents, requires medical care, for illness or  
23 injury not the result of vicious habits, intemperance, or mis-  
24 conduct, while on assignment abroad in a locality where there  
25 is no qualified person or facility to provide such care, pay

1 the travel expenses of such officer, employee, or dependent  
2 by whatever means deemed appropriate by the Agency, in-  
3 cluding the furnishing of transportation, and without regard  
4 to the Standardized Government Travel Regulations and sec-  
5 tion 10 of the Act of March 3, 1933, as amended (60 Stat.  
6 808; 5 U.S.C. 73b), to the nearest locality where suitable  
7 medical care can be obtained and on his recovery pay for  
8 the travel expenses of his return to his post of duty. If any  
9 such person is too ill to travel unattended, or in the case of  
10 a dependent too young to travel alone, the Agency may also  
11 pay the round-trip travel expenses of an attendant or  
12 attendants;”.

13 “(C) (i) In the event of illness or injury requiring  
14 hospitalization or similar treatment incurred by an officer or  
15 employee of the Agency who is assigned abroad, not the  
16 result of vicious habits, intemperance, or misconduct on his  
17 part, pay for the cost of treatment of such illness or injury;

18 “(ii) In the event a dependent of an officer or em-  
19 ployee of the Agency who is assigned abroad, incurs an ill-  
20 ness or injury while such dependent is located abroad, which  
21 requires hospitalization or similar treatment, and which is  
22 not the result of vicious habits, intemperance, or misconduct  
23 on his part, pay for that portion of the cost of treatment of  
24 each such illness or injury that exceeds \$35 up to a maximum  
25 limitation of one hundred and twenty days of treatment for

1 each such illness or injury, except that such maximum limita-  
2 tion shall not apply whenever the Agency, on the basis of  
3 professional medical advice, shall determine that such illness  
4 or injury clearly is caused by the fact that such dependent  
5 is or has been located abroad;”.

6 (6) In section 5, add the following new paragraphs (g)  
7 and (h) :

8 “(g) Upon the termination of the assignment of an  
9 employee appointed from another Government agency with-  
10 out a break in service for duty with the Agency for a  
11 specific period of time agreed upon by both agencies, such  
12 person will be entitled to reemployment in such other Gov-  
13 ernment agency in the position occupied at the time of  
14 assignment, or in a position of comparable salary, or, at the  
15 volition of the other Government agency, to a position of  
16 higher salary. Upon reemployment, the employee shall  
17 receive the within-grade salary advancements and other  
18 salary adjustments he would have been entitled to receive  
19 had he remained in the position in which he was employed  
20 prior to assignment to the Agency.

21 “(h) Settle and pay, whenever the Director determines  
22 that payment will further the purposes of this Act, without  
23 regard to any other provisions of law and under such regula-  
24 tions as the Director may prescribe, in an amount not ex-  
25 ceeding \$10,000, any claim against the United States for

1 loss of or damage to real or personal property (including loss  
2 of occupancy or use thereof), belonging to, or for personal  
3 injury or death of, any person not a citizen or resident of the  
4 United States, where such claim arises abroad out of the act  
5 or omission of any Agency employee or out of the act or  
6 omission of any person acting on behalf of the Agency but  
7 only if such claim is presented in writing to the Agency  
8 activity involved within one year after it accrues.”

9 (7) Paragraph (4) of section 104 (a) of the Internal  
10 Revenue Code of 1954 (26 U.S.C. 104 (a) (4)) (relating  
11 to the exclusion from gross income of compensation for in-  
12 juries and sickness) is hereby amended to read as follows:

13 “(4) amounts received as a pension, annuity, or  
14 similar allowance for personal injuries or sickness re-  
15 sulting from active service in the armed forces of any  
16 country or in the Coast and Geodetic Survey or the  
17 Public Health Service, or as a disability annuity payable  
18 under the provisions of section 831 of the Foreign  
19 Service Act of 1946, as amended (22 U.S.C. 1081;  
20 60 Stat. 1021), or as a disability annuity payable under  
21 title II of the Central Intelligence Agency Act of 1949,  
22 as amended (50 U.S.C. 403 (a) et seq.).”

23 (8) Renumber section 7 to read section 8. Renumber  
24 section 8 to read section 9, APPROPRIATIONS. Renumber  
25 section 9 to read section 10, SEPARABILITY OF PROVISIONS.



1 Renumber section 10 to read section 11, SHORT TITLE. Add  
2 a new section 7 as follows:

3 "7. (a) For the benefit of or for use in connection with  
4 the Agency or for the benefit or welfare of employees of  
5 the Agency or their dependents, the Director is authorized,  
6 notwithstanding any other provisions of law—

7 " (1) to receive gifts to the Agency and in his dis-  
8 cretion to accept, receive, hold, administer, and expend  
9 or dispose of such gifts and bequests of property from  
10 individuals or others;

11 " (2) to disburse gifts, bequests of money, interest,  
12 profits, income, or proceeds from sales of other property  
13 received as gifts in accordance with the terms and con-  
14 ditions of the acceptance of any particular gift or  
15 bequest;

16 " (3) to invest, reinvest or retain investments of  
17 the money, property or securities and the interest,  
18 profits, or proceeds accruing from such money, property  
19 or securities;

20 *Provided, however,* That the Director is not authorized, as a  
21 consequence of gifts or bequests of money, property, or  
22 securities to the Agency, to engage in any business or to  
23 exercise any voting privilege which may be incidental to  
24 securities in his hands received as a gift to the Agency, nor

1 shall the Director make any investments other than securities  
2 of the United States or other securities guaranteed as to  
3 principal and interest by the United States, except that he  
4 may make any investments directly authorized by the instru-  
5 ment of gift, and may retain any investments accepted by  
6 him; *Provided further*, That gifts, bequests of money, or  
7 proceeds from other property are not utilized for the conduct  
8 of activities by the Agency, as authorized in 50 U.S.C.  
9 403 (d) et seq. through the augmentation or in lieu of  
10 appropriations by the United States Congress; *And provided*  
11 *further*, That the funds represented by the gifts, bequests  
12 of money, or proceeds from other property are not com-  
13 mingled with funds appropriated by the United States  
14 Congress.

15 “(b) For the purpose of Federal income, estate, and  
16 gift taxes, gifts and bequests accepted by the Director shall  
17 be deemed to be a gift or bequest to or for the use of the  
18 United States.”

19 SEC. 3. Insert the heading “TITLE I—DEFINITIONS  
20 AND GENERAL AUTHORITIES” before the section title,  
21 “DEFINITIONS”, of section 1 of the Central Intelligence  
22 Agency Act of 1949, as amended.

23 SEC. 4. The Central Intelligence Agency Act of 1949,  
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1 as amended, is further amended by the addition of title II  
2 as follows:

3 "TITLE II—THE CENTRAL INTELLIGENCE  
4 AGENCY RETIREMENT AND DISABILITY  
5 SYSTEM

6 "PART A—ESTABLISHMENT OF SYSTEM

7 "RULES AND REGULATIONS

8 "SEC. 201. (a) The Director may prescribe rules and  
9 regulations for the establishment and maintenance of a Cen-  
10 tral Intelligence Agency retirement and disability system,  
11 referred to hereafter as the system.

12 "(b) The Director shall administer the system in  
13 accordance with such rules and regulations and with the  
14 principles established by this Act.

15 "ESTABLISHMENT AND MAINTENANCE OF FUND

16 "SEC. 202. There is hereby created a fund to be known  
17 as the Central Intelligence Agency retirement and disability  
18 fund which shall be maintained by the Director. The Cen-  
19 tral Intelligence Agency retirement and disability fund is  
20 referred to hereafter in this title as the fund.

21 "PARTICIPANTS

22 "SEC. 203. The Director may designate from time to  
23 time such Agency officers and employees, hereafter referred  
24 to as participants, who shall be entitled to the benefits of  
25 the system.

1 "ANNUITANTS

2 "SEC. 204. (a) Annuitants shall be persons who are re-  
3 ceiving annuities from the fund and all persons, including  
4 surviving wives and husbands, widows, dependent widowers,  
5 children, and beneficiaries of participants or annuitants who  
6 shall become entitled to receive annuities in accordance with  
7 the provisions of this Act.

8 "(b) When used in this title the term—

9 "(1) 'Widow' means the surviving wife of a partici-  
10 pant who was married to such participant for at least two  
11 years immediately preceding his death or is the mother of  
12 issue by such marriage.

13 "(2) 'Dependent widower' means the surviving hus-  
14 band of a participant who was married to such participant  
15 for at least two years immediately preceding her death or is  
16 the father of issue by such marriage, and who is incapable  
17 of self-support by reason of mental or physical disability, and  
18 who received more than one-half of his support from such  
19 participant.

20 "(3) 'Child' means an unmarried child, under the age  
21 of eighteen years, or such unmarried child regardless of age  
22 who, because of physical or mental disability incurred before  
23 age eighteen, is incapable of self-support. In addition to the  
24 offspring of the participant and his or her spouse, the term  
25 includes (a) an adopted child, and (b) a stepchild or recog-

1 nized natural child who received more than one-half of his  
2 support from the participant.

3 "PART B—COMPULSORY CONTRIBUTIONS

4 "SEC. 211. (a) Six and one-half per centum of the basic  
5 salary received by each participant shall be contributed to  
6 the fund for the payment of annuities, cash benefits, refunds,  
7 and allowances. An equal sum shall also be contributed  
8 from the respective appropriation or fund which is used  
9 for payment of his salary. The amounts deducted and  
10 withheld from basic salary together with the amounts so  
11 contributed from the appropriation or fund, shall be deposited  
12 by the Agency to the credit of the fund.

13 "(b) Each participant shall be deemed to consent and  
14 agree to such deductions from basic salary, and payment  
15 less such deductions shall be a full and complete discharge  
16 and acquittance of all claims and demands whatsoever for  
17 all regular services during the period covered by such pay-  
18 ment, except the right to the benefits to which he shall be  
19 entitled under this Act, notwithstanding any law, rule,  
20 or regulation affecting the individual's salary.

21 "PART C—COMPUTATION OF ANNUITIES

22 "SEC. 221. (a) The annuity of a participant shall be  
23 equal to 2 per centum of his average basic salary for the  
24 highest five consecutive years of service, for which full con-  
25 tributions have been made to the fund, multiplied by the

1 number of years, not exceeding thirty-five, of service credit  
2 obtained in accordance with the provisions of sections 251,  
3 252, and 253. In determining the aggregate period of  
4 service upon which the annuity is to be based, the fractional  
5 part of a month, if any, shall not be counted.

6 “(b) At the time of retirement, any married participant  
7 may elect to receive a reduced annuity and to provide for an  
8 annuity payable to his wife or her husband, commencing on  
9 the date following such participant's death and terminating  
10 upon the death of such surviving wife or husband. The an-  
11 nuity payable to the surviving wife or husband after such  
12 participant's death shall be 50 per centum of the amount of  
13 the participant's annuity computed as prescribed in paragraph  
14 (a) of this section, up to the full amount of such annuity  
15 specified by him as the base for the survivor benefits. The  
16 annuity of the participant making such election shall be re-  
17 duced by  $2\frac{1}{2}$  per centum of any amount up to \$2,400 he  
18 specifies as the base for the survivor benefit plus 10 per  
19 centum of any amount over \$2,400 so specified.

20 “(c) (1) If an annuitant dies and is survived by a wife  
21 or husband and by a child or children, in addition to the an-  
22 nuity payable to the surviving wife or husband, there shall  
23 be paid to or on behalf of each child an annuity equal to the  
24 smallest of: (i) 40 per centum of the annuitant's average  
25 basic salary, as determined under paragraph (a) of this sec-

1 tion, divided by the number of children; (ii) \$600; or (iii)  
2 \$1,800 divided by the number of children.

3 “(2) If an annuitant dies and is not survived by a wife  
4 or husband but by a child or children, each surviving child  
5 shall be paid an annuity equal to the smallest of: (i) 50 per  
6 centum of the annuitant's average basic salary, as determined  
7 under paragraph (a) of this section, divided by the number  
8 of children; (ii) \$720; or (iii) \$2,160 divided by the num-  
9 ber of children.

10 “(d) If a surviving wife or husband dies or the annuity  
11 of a child is terminated, the annuities of any remaining  
12 children shall be recomputed and paid as though such wife,  
13 husband, or child had not survived the participant.

14 “(e) The annuity payable to a child under paragraph  
15 (c) or (d) of this section shall begin on the first day of  
16 the next month after the participant dies and such annuity  
17 or any right thereto shall be terminated upon death, mar-  
18 riage, or attainment of the age of eighteen years, except that,  
19 if a child is incapable of self-support by reasons of mental or  
20 physical disability, the annuity shall be terminated only when  
21 such child dies, marries, or recovers from such disability.

22 “(f) At the time of retirement an unmarried participant  
23 may elect to receive a reduced annuity and to provide for  
24 an annuity equal to 50 per centum of the reduced annuity  
25 payable after his or her death to a beneficiary whose name

1 shall be designated in writing to the Director. The annuity  
2 payable to a participant making such election shall be re-  
3 duced by 10 per centum of an annuity computed as provided  
4 in paragraph (a) of this section and by 5 per centum of  
5 an annuity so computed for each full five years the person  
6 designated is younger than the retiring participant, but such  
7 total reduction shall not exceed 40 per centum. No such  
8 election of a reduced annuity payable to a beneficiary shall  
9 be valid until the participant shall have satisfactorily passed  
10 a physical examination as prescribed by the Director. The  
11 annuity payable to a beneficiary under the provisions of this  
12 paragraph shall begin on the first day of the next month  
13 after the participant dies. Upon the death of the surviving  
14 beneficiary all payments shall cease and no further annuity  
15 payments authorized under this paragraph shall be due or  
16 payable.

17 "PART D—BENEFITS ACCRUING TO CERTAIN

18 PARTICIPANTS

19 "RETIREMENT FOR DISABILITY OR INCAPACITY—PHYSICAL

20 EXAMINATION—RECOVERY

21 "SEC. 231. (a) Any participant who has five years of  
22 service credit toward retirement under the system, excluding  
23 military or naval service that is credited in accordance with  
24 provisions of section 251 or 252 (a) (2), and who becomes  
25 totally disabled or incapacitated for useful and efficient serv-



1 ice by reason of disease, illness, or injury not due to vicious  
2 habits, intemperance, or willful misconduct on his part, shall,  
3 upon his own application or upon order of the Director, be  
4 retired on an annuity computed as prescribed in section  
5 221. If the disabled or incapacitated participant has less  
6 than twenty years of service credit toward his retirement  
7 under the system at the time he is retired, his annuity shall  
8 be computed on the assumption that he has had twenty  
9 years of service, but the additional service credit that may  
10 accrue to a participant under this provision shall in no case  
11 exceed the difference between his age at the time of retire-  
12 ment and the mandatory retirement age applicable to his  
13 grade in the Agency.

14 “(b) In each case, the participant shall be given a  
15 physical examination by one or more duly qualified phy-  
16 sicians or surgeons designated by the Director to conduct  
17 examinations, and disability shall be determined by the  
18 Director on the basis of the advice of such physicians or  
19 surgeons. Unless the disability is permanent, like exam-  
20 inations shall be made annually until the annuitant has  
21 reached the statutory mandatory retirement age for his  
22 grade in the Agency. If the Director determines, on the  
23 basis of the advice of one or more duly qualified physicians  
24 or surgeons conducting such examinations that an annuitant  
25 has recovered to the extent that he can return to duty,

1 the annuitant may apply for reinstatement or reappointment  
2 in the Agency within one year from the date his recovery  
3 is determined. Upon application the Director may rein-  
4 state any such recovered disability annuitant in the grade  
5 in which he was serving at time of retirement, or the Di-  
6 rector may, taking into consideration the age, qualifications,  
7 and experience of such annuitant, and the present grade  
8 of his contemporaries in the Agency, appoint him to a  
9 grade higher than the one in which he was serving prior  
10 to retirement. Payment of the annuity shall continue until  
11 a date six months after the date of the examination showing  
12 recovery or until the date of reinstatement or reappoint-  
13 ment in the Agency, whichever is earlier. Fees for exam-  
14 inations under this provision, together with reasonable  
15 traveling and other expenses incurred in order to submit  
16 to examination, shall be paid out of the fund. If the an-  
17 nuitant fails to submit to examination as required under  
18 this section, payment of the annuity shall be suspended  
19 until continuance of the disability is satisfactorily established.

20 “(c) If a recovered disability annuitant whose annuity  
21 is discontinued is for any reason not reinstated or reappointed  
22 in the Agency, he shall be considered to have been separated  
23 within the meaning of section 234 as of the date he was  
24 retired for disability and he shall, after the discontinuance

1 of the disability annuity, be entitled to the benefits of that  
2 section or of section 241 (a) except that he may elect volun-  
3 tary retirement in accordance with the provisions of section  
4 233 if he can qualify under its provisions.

5 “(d) No participant shall be entitled to receive an  
6 annuity under this Act and compensation for injury or dis-  
7 ability to himself under the Federal Employees’ Compensa-  
8 tion Act of September 7, 1916, as amended, covering the  
9 same period of time. This provision shall not bar the right  
10 of any claimant to the greater benefit conferred by either  
11 Act for any part of the same period of time. Neither this  
12 provision nor any provision of the said Act of September  
13 7, 1916, as amended, shall be so construed as to deny the  
14 right of any person to receive an annuity under this Act by  
15 reason of his own services and to receive concurrently any  
16 payment under such Act of September 7, 1916, as amended,  
17 by reason of the death of any other person.

18 “(e) Notwithstanding any provision of law to the con-  
19 trary, the right of any person entitled to an annuity under  
20 this Act shall not be affected because such person has re-  
21 ceived an award of compensation in a lump sum under  
22 section 14 of the Federal Employees’ Compensation Act of  
23 September 7, 1916, as amended, except that where such  
24 annuity is payable on account of the same disability for  
25 which compensation under such section has been paid, so

1 much of such compensation as has been paid for any period  
2 extended beyond the date such annuity becomes effective,  
3 as determined by the Secretary of Labor, shall be refunded  
4 to the Department of Labor, to be paid into the Federal  
5 employees' compensation fund. Before such person shall  
6 receive such annuity he shall (1) refund to the Department  
7 of Labor the amount representing such computed payments  
8 for such extended period, or (2) authorize the deduction of  
9 such amount from the annuity payable to him under this  
10 Act, which amount shall be transmitted to such Department  
11 for reimbursement to such fund. Deductions from such  
12 annuity may be made from accrued and accruing payments,  
13 or may be prorated against and paid from accruing payments  
14 in such manner as the Secretary of Labor shall determine,  
15 whenever he finds that the financial circumstances of the  
16 annuitant are such as to warrant such deferred refunding.

17 "DEATH IN SERVICE

18 "SEC. 232. (a) In case a participant dies and no claim  
19 for annuity is payable under the provisions of this Act, his  
20 contributions to the fund, with interest at the rates prescribed  
21 in sections 241 (a) and 281 (a) , shall be paid in the order  
22 of precedence shown in section 241 (b) .

23 "(b) If a participant, who has at least five years of  
24 service credit toward retirement under the system, excluding  
25 military or naval service that is credited in accordance with

1 the provisions of section 251 or 252 (a) (2), dies before  
2 separation or retirement from the Agency and is survived by  
3 a widow or a dependent widower, as defined in section 204,  
4 such widow or dependent widower shall be entitled to an  
5 annuity equal to 50 per centum of the annuity computed  
6 in accordance with the provisions of paragraph (e) of this  
7 section and of section 221 (a). The annuity of such widow  
8 or dependent widower shall commence on the date follow-  
9 ing death of the participant and shall terminate upon death  
10 of the widow or dependent widower, or upon the dependent  
11 widower's becoming capable of self-support.

12 “(c) If a participant who has at least five years of  
13 service credit toward retirement under the system, excluding  
14 military or naval service that is credited in accordance with  
15 the provisions of section 251 or 252 (a) (2), dies before  
16 separation or retirement from the Agency and is survived by  
17 a wife or a husband and a child or children, each surviving  
18 child shall be entitled to an annuity computed in accordance  
19 with the provisions of section 221 (c) (1). The child's  
20 annuity shall begin and be terminated in accordance with the  
21 provisions of section 221 (c). Upon the death of the sur-  
22 viving wife or husband or termination of the annuity of a  
23 child, the annuities of any remaining children shall be  
24 recomputed and paid as though such wife or husband or child  
25 had not survived the participant.

1       “(d) If a participant who has at least five years of serv-  
2     ice credit toward retirement under the system, excluding mili-  
3     tary or naval service that is credited in accordance with the  
4     provisions of section 251 or 252 (a) (2), dies before separa-  
5     tion or retirement from the Agency and is not survived by a  
6     wife or husband, but by a child or children, each surviving  
7     child shall be entitled to an annuity computed in accordance  
8     with the provisions of section 221 (c) (2). The child's an-  
9     nuity shall begin and terminate in accordance with the pro-  
10    visions of section 221 (e). Upon termination of the annuity  
11    of a child, the annuities of any remaining children shall be  
12    recomputed and paid as though that child had never been  
13    entitled to the benefit.

14       “(e) If, at the time of his or her death, the participant  
15    had less than twenty years of service credit toward retirement  
16    under the system, the annuities payable in accordance with  
17    paragraph (b) of this section shall be computed in accord-  
18    ance with the provisions of section 221 on the assumption  
19    he or she has had twenty years of service, but the additional  
20    service credit that may accrue to a deceased participant under  
21    this provision shall in no case exceed the difference between  
22    his or her age on the date of death and the mandatory retire-  
23    ment age applicable to his or her grade in the Agency. In  
24    all cases arising under paragraphs (b), (c), (d), or (e) of

1 this section, it shall be assumed that the deceased participant  
2 was qualified for retirement on the date of his death.

3 "VOLUNTARY RETIREMENT

4 "SEC. 233. Any participant in the system who is at  
5 least fifty years of age and has rendered twenty years of  
6 service, including service within the meaning of section 253,  
7 may on his own application and with the consent of the  
8 Director be retired from the Agency and receive benefits  
9 in accordance with the provisions of section 221.

10 "DISCONTINUED SERVICE RETIREMENT

11 "SEC. 234. (a) Any participant who separates from the  
12 Agency after obtaining at least five years of service credit  
13 toward retirement under the system, excluding military or  
14 naval service that is credited in accordance with the provi-  
15 sions of section 251 or 252 (a) (2), may, upon separation  
16 from the Agency or at any time prior to becoming eligible  
17 for an annuity, elect to have his contributions to the fund  
18 returned to him in accordance with the provisions of section  
19 241, or (except in cases where the Director determines that  
20 separation was based in whole or in part on the ground of  
21 disloyalty to the United States) to leave his contributions  
22 in the fund and receive an annuity, computed as prescribed  
23 in section 221, commencing at the age of sixty years.

24 "(b) If a participant who has qualified in accordance  
25 with the provisions of paragraph (a) of this section to re-

1 receive a deferred annuity commencing at the age of sixty dies  
2 before reaching the age of sixty his contributions to the fund.  
3 with interest, shall be paid in accordance with the provisions  
4 of sections 241 and 281.

5 “ (c) The Director may in his discretion retire partici-  
6 pants in grade GS-14 and above to promote the efficiency  
7 of the Agency and they shall receive retirement benefits in  
8 accordance with the provisions of section 221.

9 “ (d) The Director may in his discretion retire partici-  
10 pants in grade GS-13 and below to promote the efficiency of  
11 the Agency and each such officer shall receive—

12 “ (1) one-twelfth of a year's salary at his then cur-  
13 rent salary rate for each year of service and propor-  
14 tionately for a fraction of a year, but not exceeding a total  
15 of one year's salary at his then current salary rate, pay-  
16 able without interest, from the fund, in three equal in-  
17 stallments on the 1st day of January following the  
18 officer's retirement and on the two anniversaries of this  
19 date immediately following: *Provided*, That in special  
20 cases, the Director may in his discretion accelerate or  
21 combine the installments; and

22 “ (2) a refund of the contributions made to the fund,  
23 with interest as provided in section 241 (a) , except that  
24 in lieu of such refund such officer, if he has at least five  
25 years of service credit toward retirement under the



1 system, excluding military or naval service that is  
2 credited in accordance with the provisions of section  
3 251 or 252 (a), may elect to receive retirement benefits  
4 on reaching the age of sixty in accordance with the pro-  
5 visions of section 221. In the event that an officer who  
6 was separated from grade GS-13 or GS-12 and who has  
7 elected to receive retirement benefits dies before reaching  
8 the age of sixty, his death shall be considered a death in  
9 service within the meaning of section 232. In the event  
10 that an officer who was separated from grade GS-11 or  
11 below and who has elected to receive retirement benefits  
12 dies before reaching the age of sixty, the total amount  
13 of his contributions made to the fund, with interest as  
14 provided in section 241 (a), shall be paid in accordance  
15 with the provisions of section 241 (b).

16 “(e) Notwithstanding the provisions of section 3477 of  
17 the Revised Statutes, as amended (31 U.S.C. 203) or the  
18 provisions of any other law, an Agency officer who is retired  
19 in accordance with the provisions of section 234 (d) shall  
20 have the right to assign to any person or corporation the  
21 whole or any part of the benefits receivable by him pursuant  
22 to paragraph (d) (1) of this section.

23 “MANDATORY RETIREMENT FOR AGE

24 “SEC. 235. (a) Any participant in the system in grade  
25 GS-18 or above, shall upon reaching the age of sixty-five

1 be retired from the Agency and receive retirement benefits  
2 in accordance with the provisions of section 221, but when-  
3 ever the Director shall determine it to be in the public interest,  
4 he may extend such an officer's service for a period not to  
5 exceed five years.

6 " (b) Any participant in the system, other than in grade  
7 GS-18 or above, shall upon reaching the age of sixty, be  
8 retired from the Agency and receive retirement benefits in  
9 accordance with the provisions of section 221, but whenever  
10 the Director shall determine it to be in the public interest,  
11 he may extend such an officer's service for a period not to  
12 exceed five years.

13 "PART E—DISPOSITION OF CONTRIBUTIONS AND INTEREST  
14 IN EXCESS OF BENEFITS RECEIVED

15 "SEC. 241. (a) Whenever a participant becomes sepa-  
16 rated from the Agency without becoming eligible for an an-  
17 nuity or a deferred annuity in accordance with the provisions  
18 of this Act, the total amount of contributions from his salary  
19 with interest thereon at 4 per centum per annum, com-  
20 pounded annually as of December 31, and proportionately  
21 for the period served during the year of separation including  
22 all contributions made during or for such period, except as  
23 provided in section 281, shall be returned to him.

24 " (b) In the event that the total contributions of a re-

1   tired participant, other than voluntary contributions made in  
2   accordance with the provisions of section 281, with interest  
3   at 4 per centum per annum compounded annually as is pro-  
4   vided in paragraph (a) of this section added thereto, exceed  
5   the total amount returned to such participant or to an an-  
6   nuitant claiming through him, in the form of annuities,  
7   accumulated at the same rate of interest up to the date the  
8   annuity payments cease under the terms of the annuity, the  
9   excess of the accumulated contributions over the accumulated  
10  annuity payments shall be paid in the following order of  
11  precedence, upon the establishment of a valid claim therefor,  
12  and such payment shall be a bar to recovery by any other  
13  person:

14       “(1) To the beneficiary or beneficiaries designated by  
15  the retired participant in writing to the Director;

16       “(2) If there be no such beneficiary, to the surviving  
17  wife or husband of such participant;

18       “(3) If none of the above, to the child or children of  
19  such participant and descendants of deceased children by  
20  representation;

21       “(4) If none of the above, to the parents of such par-  
22  ticipant or the survivor of them;

23       “(5) If none of the above, the duly appointed executor  
24  or administrator of the estate of such participant;

25       “(6) If none of the above, to other next of kin of

1 such participant as may be determined by the Director in  
2 his judgment to be legally entitled thereto.

3 “(c) No payment shall be made pursuant to para-  
4 graph (b) (6) of this section until after the expiration of  
5 thirty days from the death of the retired participant or his  
6 surviving annuitant.

7 “PART F—PERIOD FOR SERVICE FOR ANNUITIES

8 “COMPUTATION OF LENGTH OF SERVICE

9 “SEC. 251. For the purposes of this title, the period of  
10 service of a participant shall be computed from the date  
11 he becomes a participant under the provisions of this Act,  
12 but all periods of separation from the Agency and so much  
13 of any leaves of absence without pay as may exceed six  
14 months in the aggregate in any calendar year shall be ex-  
15 cluded, except leaves of absence while receiving benefits  
16 under the Federal Employees' Compensation Act of Sep-  
17 tember 7, 1916, as amended, and leaves of absence granted  
18 participants while performing active and honorable military  
19 or naval service in the Army, Navy, Air Force, Marine  
20 Corps, or Coast Guard of the United States.

21 “PRIOR SERVICE CREDIT

22 “SEC. 252. (a) A participant may, subject to the pro-  
23 visions of this section, include in his period of service—

24 “(1) civilian service in the executive, judicial, and  
25 legislative branches of the Federal Government and in

1 the District of Columbia government, prior to becoming  
2 a participant; and

3 “(2) active and honorable military or naval service  
4 in the Army, Navy, Marine Corps, Air Force, or Coast  
5 Guard of the United States.

6 “(b) A person may obtain prior civilian service credit  
7 in accordance with the provisions of paragraph (a) (1) of  
8 this section by making a special contribution to the fund  
9 equal to 5 per centum of his basic annual salary for each year  
10 of service for which credit is sought prior to November 8,  
11 1960, and at  $6\frac{1}{2}$  per centum thereafter with interest com-  
12 pounded annually at 4 per centum per annum to the date  
13 of payment. Any such person may, under such conditions as  
14 may be determined in each instance by the Director, pay  
15 such special contributions in installments.

16 “(c) (1) If an officer or employee under some other  
17 Government retirement system, becomes a participant in the  
18 system by direct transfer, such officer or employee's total  
19 contributions and deposits, including interest accrued thereon,  
20 except voluntary contributions, shall be transferred to the  
21 fund effective as of the date such officer or employee becomes  
22 a participant in the system. Each such officer or employee  
23 shall be deemed to consent to the transfer of such funds  
24 and such transfer shall be a complete discharge and acquit-  
25 tance of all claims and demands against the other Govern-

1 ment retirement fund on account of service rendered prior  
2 to becoming a participant in the system.

3 “(2) No officer or employee, whose contributions are  
4 transferred to the fund in accordance with the provisions of  
5 paragraph (c) (1) of this section, shall be required to make  
6 contributions in addition to those transferred, for periods of  
7 service for which full contributions were made to the other  
8 Government retirement fund, nor shall any refund be made  
9 to any such officer or employee on account of contributions  
10 made during any period to the other Government retirement  
11 fund, at a higher rate than that fixed by section 211 of this  
12 Act for contributions to the fund.

13 “(3) No officer or employee, whose contributions are  
14 transferred to the fund in accordance with the provisions of  
15 paragraph (c) (1) of this section, shall receive credit for  
16 periods of service for which a refund of contributions has  
17 been made, or for which no contributions were made to the  
18 other Government retirement fund. A participant may,  
19 however, obtain credit for such prior service by making a  
20 special contribution to the fund in accordance with the  
21 provisions of paragraph (b) of this section.

22 “(d) No participant may obtain prior civilian service  
23 credit toward retirement under the system for any period  
24 of civilian service on the basis of which he is receiving or  
25 will in the future be entitled to receive any annuity under

1 another retirement system covering civilian personnel of the  
2 Government.

3 “(e) A participant may obtain prior military or naval  
4 service credit in accordance with the provisions of para-  
5 graph (a) (2) of this section by applying for it to the  
6 Director prior to retirement or separation from the Agency.  
7 However, in the case of a participant who is eligible for and  
8 receives retired pay on account of military or naval service,  
9 the period of service upon which such retired pay is based  
10 shall not be included, except that in the case of a participant  
11 who is eligible for and receives retired pay on account of  
12 a service-connected disability incurred in combat with an  
13 enemy of the United States or caused by an instrumentality  
14 of war and incurred in line of duty during a period of war  
15 (as that term is used in chapter 11 of title 38, United States  
16 Code), or is awarded under chapter 67 of title 10 of the  
17 United States Code, the period of such military or naval  
18 service shall be included. No contributions to the fund shall  
19 be required in connection with military or naval service  
20 credited to a participant in accordance with the provisions  
21 of paragraph (a) (2) of this section.

22 “CREDIT FOR SERVICE AT UNHEALTHFUL POSTS

23 “SEC. 253. The Director may from time to time estab-  
24 lish a list of places which by reason of climatic or other  
25 extreme conditions are to be classed as unhealthful posts,

1 and each year of duty at such posts inclusive of regular  
2 leaves of absence. of participants hereafter retired, shall be  
3 counted as one year and a half, and so on in like proportion  
4 in reckoning the length of service for the purpose of retire-  
5 ment, fractional months being considered as full months in  
6 computing such service, but no such extra credit for serv-  
7 ice at such unhealthful posts shall be credited to any par-  
8 ticipant who shall have been paid a salary differential for  
9 such service.

10 "CREDIT FOR SERVICE WHILE ON MILITARY LEAVE

11 "SEC. 254. Contributions shall not be required covering  
12 periods of leave of absence from the Agency granted a partici-  
13 pant while performing active military or naval service in the  
14 Army, Navy, Air Force, Marine Corps, or Coast Guard of  
15 the United States.

16 "PART G—MONEYS

17 "ESTIMATE OF APPROPRIATIONS NEEDED

18 "SEC. 261. The Director shall prepare the estimates of  
19 the annual appropriations required to be made to the fund,  
20 and shall cause to be made actuarial valuations of the fund  
21 at intervals of five years, or oftener if deemed necessary by  
22 him.

23 "INVESTMENT OF MONEYS IN THE FUND

24 "SEC. 262. The Director may, with the approval of the  
25 Secretary of the Treasury, invest from time to time in in-



1 interest-bearing securities of the United States such portions  
2 of the fund as in his judgment may not be immediately re-  
3 quired for the payment of annuities, cash benefits, refunds,  
4 and allowances, and the income derived from such invest-  
5 ments shall constitute a part of such fund.

6 "ATTACHMENT OF MONEYS

7 "SEC. 263. None of the moneys mentioned in this title  
8 shall be assignable either in law or equity, or be subject to  
9 execution, levy, attachment, garnishment, or other legal  
10 process, except as provided in section 234 (e) .

11 "PART H—ANNUITANTS RECALLED, REINSTATED, OR RE-  
12 APPOINTED IN THE AGENCY, OR REEMPLOYED IN THE  
13 GOVERNMENT

14 "RECALL

15 "SEC. 271. (a) The Director may recall any annuitant  
16 to duty in the Agency whenever he shall determine such  
17 recall is in the public interest.

18 "(b) Any annuitant recalled to duty in the Agency or  
19 reinstated or reappointed in accordance with the provisions  
20 of section 231 (b) shall, while so serving, be entitled in  
21 lieu of his annuity to the full salary of the grade in which  
22 he is serving. During such service, he shall make contri-  
23 butions to the fund in accordance with the provisions of sec-

1 tion 211. When he reverts to his retired status, his an-  
2 nuity shall be determined anew in accordance with the pro-  
3 visions of section 221.

4 "REEMPLOYMENT COMPENSATION

5 "SEC. 272. (a) Notwithstanding any other provision  
6 of law, any officer or employee of the Agency, who has re-  
7 tired under this Act, as amended, and is receiving an annuity  
8 pursuant thereto, and who is reemployed in the Federal  
9 Government service in any appointive position either on a  
10 part-time or full-time basis, shall be entitled to receive the  
11 salary of the position in which he is serving plus so much  
12 of his annuity payable under this Act, as amended, which  
13 when combined with such salary does not exceed during any  
14 calendar year the basic salary such officer or employee was  
15 entitled to receive on the date of his retirement from the  
16 Agency. Any such reemployed officer or employee who re-  
17 ceives salary during any calendar year in excess of the maxi-  
18 mum amount which he may be entitled to receive under this  
19 paragraph shall be entitled to such salary in lieu of benefits  
20 hereunder.

21 "(b) When any such retired officer or employee of  
22 the Agency is reemployed, the employer shall send a notice  
23 to the Agency of such reemployment together with all

1   pertinent information relating thereto, and shall pay directly  
2   to such officer or employee the salary of the position in which  
3   he is serving.

4       “(c) In the event of any overpayment under this sec-  
5   tion, such overpayment shall be recovered by withholding  
6   the amount involved from the salary payable to such re-  
7   employed officer or employee, or from any other moneys,  
8   including his annuity, payable in accordance with the pro-  
9   visions of this title.

10                               “REEMPLOYMENT

11       “SEC. 273. Notwithstanding the provisions of title 5,  
12   United States Code, section 62, and title 5, United States  
13   Code, section 715a, an Agency officer or employee retired  
14   under the provisions of this Act shall not, by reason of his  
15   retired status, be barred from employment in Federal Gov-  
16   ernment service in any appointive position for which he  
17   is qualified. An annuitant so reemployed shall serve at the  
18   will of the appointing officer.

19                               “PART I—VOLUNTARY CONTRIBUTIONS

20       “SEC. 281. (a) Any participant may, at his option and  
21   under such regulations as may be prescribed by the Director,  
22   deposit additional sums in multiples of 1 per centum of his  
23   basic salary, but not in excess of 10 per centum of such  
24   salary, which amounts together with interest at 3 per centum  
25   per annum, compounded annually as of December 31, and

1 proportionately for the period served during the year of his  
2 retirement, including all contributions made during or for  
3 such period, shall, at the date of his retirement and at his  
4 election, be—

5 “(1) returned to him in lump sum; or

6 “(2) used to purchase an additional life annuity; or

7 “(3) used to purchase an additional life annuity for  
8 himself and to provide for a cash payment on his death  
9 to a beneficiary whose name shall be notified in writing  
10 to the Director by the participant; or

11 “(4) used to purchase an additional life annuity  
12 for himself and a life annuity commencing on his death  
13 payable to a beneficiary whose name shall be notified in  
14 writing to the Director by the participant with a guar-  
15 anteed return to the beneficiary or his legal representa-  
16 tive of an amount equal to the cash payment referred to  
17 in subparagraph (3) above.

18 “(b) The benefits provided by subparagraphs (2),  
19 (3), or (4) of paragraph (a) of this section shall be actu-  
20 arially equivalent in value to the payment provided for by  
21 subparagraph (a) (1) of this section and shall be calculated  
22 upon such tables of mortality as may be from time to time  
23 prescribed for this purpose by the Director.

24 “(c) In case a participant shall become separated from  
25 the Agency for any reason except retirement on an annuity,

1 the amount of any additional deposits with interest at 3 per  
2 centum per annum, compounded as is provided in paragraph  
3 (a) of this section, made by him under the provisions of  
4 said paragraph (a) shall be refunded in the manner provided  
5 in section 241 for the return of contributions and interest  
6 in the case of death or separation from the Agency.  
7 “(d) any benefits payable to an officer or to his bene-  
8 ficiary in respect to the additional deposits provided under  
9 this section shall be in addition to the benefits otherwise pro-  
10 vided under this title.”

88TH CONGRESS  
1ST Session

**H. R. 7216**

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## **A BILL**

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To amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes.

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By Mr. VINSON

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JUNE 24, 1963

Referred to the Committee on Armed Services

UNCLASSIFIED		CONFIDENTIAL		SECRET	
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP					
TO	NAME AND ADDRESS			DATE	INITIALS
1	Ex Dir 7D59 ER-Reading Bd				
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ACTION		DIRECT REPLY		PREPARE REPLY	
APPROVAL		DISPATCH		RECOMMENDATION	
COMMENT		FILE		RETURN	
CONCURRENCE		INFORMATION		SIGNATURE	
Remarks: <span style="float: right;">Executive Registry 63-5652</span>  Forwarded herewith is a short outline of the CIA Act amendments which were introduced in the House of Representatives on June 24th and scheduled for hearing in the Armed Services Committee beginning July 23rd.  There is also attached for your information a copy of H. R. 7216.  <div style="border: 1px solid black; height: 50px; width: 300px; margin: 10px auto;"></div>					
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